By Bruce Edwards

 Rep. Peter Welch is soliciting support from fellow House members for an investigation into the latest financial industry debacle — this one involving the alleged manipulation by banks of interest rates before and after the financial crisis of 2008.

Barclays, a British-based bank, has already reached a $450 million settlement with U.S. and British regulators over the bank's manipulation of Libor — the London interbank offered rate that banks charge each other for loans. Libor serves as the basis for setting interest rates on various loans and financial products.

The alleged rate rigging to enhance bank profits could involve more than just Barclays.

Welch, a Democrat, said in an interview that while Libor is an obscure term usually confined to the financial industry, the rate setting has "economy-wide impacts."

"Anyone who borrows money often times has an agreement that pegs the interest rate they pay to Libor," Welch said, "and if Libor is manipulated then (consumers) can be hurt without ever being aware of it."

Welch said some pension funds and municipalities, including the City of Baltimore, already have filed lawsuits over alleged interest rate manipulation.

In his letter to U.S. Attorney General Eric Holder, Welch urged aggressive pursuit of any wrongdoing.

"Vigorous investigation and prosecution is essential to re-establishing confidence that global financial markets are transparent, not opaque and that they are competitive, not rigged," Welch said. “Banks and traders who profited should be compelled to forfeit all illicit profits. And bad actors should no longer be allowed to outsource punishment to their shareholders. It’s time for them to spend time behind bars.”

The New York Times reported Sunday that the U.S. Department of Justice is working on a criminal case against several financial institutions and their employees. The Commodity Futures Trading Commission is also conducting an investigation.

A similar letter circulating in the Senate was signed by Sen. Patrick Leahy, chairman of the Judiciary Committee.

In the aftermath of the 2008 financial meltdown, critics have charged that the Justice Department failed to aggressively pursue those most responsible.

But Welch also said the lack of regulatory oversight played a significant role that led up to the crisis four years ago.

“Washington has coddled the financial tycoons, who have so ripped off the system,” he said. “Whether it was the SEC, CFTC, before (Chairman) Gensler, the AG’s office, it’s pretty pathetic what the response has been.”